

~~CONFIDENTIAL~~

COCOM Doc. 3416.35/9

Date: June 8, 1959

COORDINATING COMMITTEEMEMORANDUM FROM THE UNITED STATES DELEGATIONCONCERNINGTHE UNITED KINGDOM PROPOSAL TO REDEFINE ITEM 1635 (b)

References: COCOM Documents 3416.00/1, 3416.35/3 through 8

1. The United States has carefully studied but is unable to accept the proposal put forward by the United Kingdom delegate on May 28 (COCOM Document 3416.35/7) for the redefinition of Item 1635(b). In examining the nickel bearing steels produced in the United States and containing 0.4 percent or more of titanium or niobium-tantalum, it was found that nine are used predominantly by the military. Of these, the military uses the entire production of one and 90 percent of the production of several others. Another of the nine (AISI type 321, mentioned below) is used 70 percent by the military in the United States and was found, by a United States steel team which visited the U.S.S.R. last year, to be roughly equivalent to the bulk of the Soviet Union's stainless steel production. The United Kingdom proposal would definitely embargo only three of these nine nickel-alloy steels.

2. The six steels produced in the United States that apparently would not be covered by the United Kingdom proposal are AISI types 321, 347, and 348 and types 19-9DL, 19-9DX and 19-9WX. The total alloying elements for these steels under the method of counting in the United Kingdom proposal is as follows (see attachment for composition these steels): AISI Type 321: minimum 26.4%, maximum 31.4%; AISI Types 347 and 348: minimum 26.8% and maximum 32.8%; Type 19-9DL: minimum 28.65%, maximum 35.15%; Types 19-9DX and 19-9WX: minimum 28.55%, maximum 35.05%. Even though the steels types 19-9DL, 19-9DX and 19-9WX have maximums over 35%, their embargo could be easily avoided if manufacturers stayed slightly under the maximum.

3. The United States agrees with the observation made by the United Kingdom in Document 3416.35/4 that, in coming to a tentative agreement on the 32 percent cut-off, there was a failure to pin down the method of counting both as to the use of minimums ^{or maximums} and as to the elements to be counted in. Nevertheless, the United States feels certain that it was the intention of the Committee to cover, under the 32 percent cutoff, all the alloys of the same grade as the primary military use types discussed above. It is possible that the United Kingdom may also have intended to cover these alloys but is itself producing substantially richer alloys, i.e., with the nickel and chromium content in ranges higher than in United States practice. It has not been possible to evaluate this possibility, since the United Kingdom has not provided data on the steels that would be covered under its proposal.

4. The United States believes that the definition finally framed by the Committee should cover the nine primary military use alloys produced in the United States. This could be arrived at in one of the following ways:

- (a) Retaining 32 percent cutoff and counting all elements except strict impurities in totaling maximums. Under this method all the elements for each of the steel types mentioned

~~CONFIDENTIAL~~

CONFIDENTIAL

- 2 -

COCOM Doc. 3416.35/9

in the attachment would be added except the unquestionably strict impurities (i.e. phosphorus, sulphur, copper and carbon; however, the carbon in the 19-9DL, 19-9DX and 19-9WX types should be added since it is necessary in the small quantity specified). Maximums thus computed for these six steels would be:

AISI type 321: 34.4%

AISI type 347: 35.8%

AISI type 348: 35.9%

Type 19-9DL: 37.8%

Types 19-9DX and WX: 37.7%

(b) Setting an appropriate cutoff below 32 percent and counting minimums for only the strictly alloying elements.

(c) Framing a definition like that for precipitation hardening steels wherein an interpretative note would contain listing of specific steel alloys subject to embargo under definition.

5. The United States will in due course put forward specific proposals for the redefinition of item 1635(b). In the meantime, the United States would appreciate the early views of the Committee on the points outlined above.

CONFIDENTIAL